

NS&I launch new fixed rate direct two year bonds

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NS&I is to launch a new 2-year issue of both its Guaranteed Growth Bonds and Guaranteed Income Bonds. The new 2-year Bonds will only be available direct (via phone or online) from NS&I and will pay an interest rate of 3.75% per annum and 3.65% respectively.

Customers can invest between £500 and £1 million in total in the fixed rate bonds, with guaranteed rates of interest. The Guaranteed Income Bond offers customers the opportunity to receive their interest as a monthly income, while with the Guaranteed Growth Bond customers will receive their interest at the end of the 2-year term.

The Bonds come with the 100% capital guarantee which NS&I can offer because all of its savings and investments are backed by HM Treasury.

The new Bonds, which are available online and through NS&I's award winning UK based call centres, are part of NS&I's strategy to encourage customers to buy and manage their savings with NS&I directly. This enables NS&I to offer a more attractive interest rate to customers.

Peter Cornish, Director of Customer Offer at NS&I, said: "Our Guaranteed Income Bonds and Guaranteed Growth Bonds (<http://www.nsandi.com/products/ggb/index.jsp>) offer customers a simple and straightforward saving opportunity.

"Money saved in our Guaranteed Income Bonds or our Guaranteed Growth Bonds will earn a competitive and guaranteed rate of interest for the next two years. It is a simple offer and easy to take up, either online at nsandi.com or through our UK based call centres."

Dr Robin Keyte, Chartered Financial Planner and Director of Towers at Taunton Ltd, which specialises in fee-based financial planning and socially responsible investments, commented on the new issues from NS&I: "NS&I's Guaranteed Growth Bonds and Guaranteed Income Bonds are an effective way for customers to earn a fixed rate of interest on their investment, either as monthly income or as a lump sum at the end of the term. Like all NS&I investments, they also have the added benefit of a 100% capital guarantee, which is something many people will value highly in the current environment."

About NS&I (<http://www.nsandi.com/>)

NS&I is one of the UK's largest financial providers with almost 27 million customers and over £94 billion invested. It is best known for Premium Bonds (<http://www.nsandi.com/products/pb/index.jsp>), but also offers Inflation-Beating Savings, Guaranteed Equity Bonds (<http://www.nsandi.com/products/geb/index.jsp>) and Children's Bonus Bonds in its range. All products offer 100% security because NS&I is backed by HM Treasury.

NS&I products are available over the telephone, internet, post and by standing order. They are also available through a network of Post Office branches. Customers can also pick up brochures for NS&I Premium Bonds, Inflation-Beating Savings and Income Bonds at retailer WHSmith in 400 of its High Street stores and 155 of its travel stores.

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